



1999 REPORT TO THE IFQ FLEET

Prepared July 2000

To the IFQ Fleet:

Greetings from the Alaska Region, National Marine Fisheries Service (NMFS), Restricted Access Management (RAM) program. As this is going to press, the 2000 IFQ season has been underway for more than 4 months (since March 15). In the past, we have distributed the report when we sent out your IFQ permits and cards, but this year other concerns and priorities (foremost among them being implementation of the License Limitation Program) have resulted in a delay.

The report contains information about the 2000 season, reviews the 1999 season, provides information on IFQ program performance, discusses some developments that may affect the program, and provides a directory of offices and officials that you may find useful.

Additionally, beginning on page 3, we reprint the special notice on the IFQ Cost Recovery (Fee) Program. This is an important development for the program, and we urge you to carefully read the information.

Of course, we welcome any questions you may have. RAM may be contacted as follows:

Telephone (toll free)	(800) 304-4846 (#2)
Juneau local number	(907) 586-7344
Facsimile	(907) 586-7354
Mailing Address	P.O. Box 21668 Juneau, Alaska 99802-1668
Internet Home Page	<http://www.fakr.noaa.gov>

The 2000 season is the sixth full season of fishing for halibut and sablefish under the IFQ program, and we hope it is safe and successful for you.

Sincerely,

Philip J. Smith
Program Administrator
Restricted Access Management

1999 REPORT TO THE FLEET

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SECTION I

THE 2000 HALIBUT AND SABLEFISH IFQ SEASON

The 2000 Individual Fishing Quota (IFQ) season for halibut and sablefish opened at noon on March 15. Fishing is allowed for a full 240 days, until noon on November 15, 2000. This section of the report includes information on how your 2000 IFQ amounts were calculated, the 2000 Quota Share (QS) Use and Vessel IFQ Caps, any changes to the rules that are in effect for this fishing year (in particular, the new Cost Recovery Program), and other issues.

HOW YOUR ANNUAL IFQ PERMIT AMOUNTS WERE CALCULATED

Once the fisheries managers determined, for each halibut and sablefish regulatory area, what the 2000 Total Allowable Catch (TAC) limits were, RAM applied some simple math to calculate your IFQ. For each area in which you hold QS, the amount of QS you hold was divided by the amount of all the QS that has been issued for that area (this is the Quota Share Pool, or QSP). The resulting fraction was then multiplied by the TAC for that area. The equation yielded the number of pounds of IFQ that you may harvest. Put simply, the above explanation can be expressed as follows:

$$\text{QS} \div \text{QSP} \times \text{TAC} = \text{IFQ}$$

In many cases, the resulting IFQ number was adjusted slightly (up or down) depending on fishing activities during 1999. If you (or whoever last year's IFQ holder may have been) recorded overages (caught more fish than the permit allowed), an amount up to 10 percent of the IFQ remaining at the beginning of the last 1999 trip has been deducted from your current season's IFQ. On the other hand, if you (or the IFQ holder) did not catch as many pounds as allowed by the IFQ permit, up to 10 percent of the final 1999 permit amount has been added to the current season's IFQ. The adjustment "follows" the QS. This means that if the QS transferred from one person to another, the following year's overage or underage allocation applies to the new QS holder(s). In short, your 2000 IFQ amounts were adjusted by overages and underages if last year's IFQ holder over fished or under fished the IFQ, regardless of who that may have been.

The annual TACs for both halibut and sablefish were set by the International Pacific Halibut Commission (IPHC) and the North Pacific Fishery Management Council (Council) somewhat in advance of the 2000 season. The QSPs were calculated on January 31. The following table shows those amounts. It also shows the "ratio" between the QSP and the TAC for each area; this ratio shows how many units of QS are needed to yield one pound of IFQ.

Table I-a: **2000 Quota Share Pools (QSPs) and Total Allowable Catches (TACs)**

Species and Area	2000 Quota Share Pool (units)	2000 IFQ TAC (pounds)	Ratio (QS:IFQ)
Halibut 2C	59,555,379	8,400,000	7.0899
3A	184,920,851	18,310,000	10.0994
3B	53,907,509	15,030,000	3.5867
4A	14,503,996	4,970,000	2.9183
4B	9,284,774	3,928,000	2.3637
4C	3,969,186	1,015,000	3.9105
4D	4,869,276	1,421,000	3.4266
4E	139,999	0	0
All Areas	331,150,970	53,074,000	
Sablefish SE	66,030,961	7,832,944	8.4299
WY	53,231,066	4,230,627	12.5823
CG	111,619,720	10,105,886	11.0450
WG	36,028,233	3,245,171	11.1021
AI	31,932,492	3,215,189	9.9318
BS	18,768,845	1,296,305	14.4787
All Areas	317,611,317	29,926,122	

Notes to Table:

- The "ratio" displays the number of units of QS that yield one pound of 2000 IFQ.
- QS Pools include small amounts of QS in "Reserve" (QS that is not yet issued) and QS that is "Restricted" (QS that has been issued, but which does not yield IFQ to its holder).
- TACs do not include pounds that have been set aside for the CDQ program.
- Halibut weights are displayed in net pounds; sablefish weights in round pounds.

2000 QS USE AND VESSEL IFQ CAPS

The IFQ rules place definite limits on the amount of QS that yields IFQ that any one person may hold (QS Use Caps), and on the amount of total IFQ pounds that can be landed from one vessel during any season (Vessel IFQ Caps). The following table displays the caps that are in effect during the 2000 season (note that the halibut QS Use Caps are constant, based on the 1996 QSPs):

Table I-b: **2000 QS Use Caps**

	Applicable %	Size of Relevant QSPs	QS Use Cap
Halibut	1% of 2C QSP	59,979,977 QS units	599,799 QS units
	.5% of 2C, 3A, 3B	300,564,647 QS units	1,502,823 QS units
	1.5% of Area 4	33,002,937 QS units	495,044 QS units
Sablefish	1% of SE QSPs	66,030,961 QS units	660,310 QS units
	1% of All QSPs	317,611,317 QS units	3,176,113 QS units

Note: The "Relevant" QSPs for calculating the Use Caps for halibut are the 1996 QSPs; for sablefish, the 2000 QSPs are used.

Table I-c: **2000 Vessel IFQ Caps**

	Vessel Use Cap %	2000 IFQ TAC	Vessel Use Cap
Halibut	1% of 2C IFQ TAC	8,400,00 net pounds	84,000 net pounds
	.5% of All IFQ	53,074,000 net pounds	265,370 net pounds
Sablefish	1% of SE IFQ TAC	7,832,944 round pounds	78,329 round pounds
	1% of All IFQ TAC	29,926,122 round pounds	299,261 round pounds

Note: Vessel IFQ Caps are calculated on the IFQ TAC only; CDQ TACs are not included in the calculations.

IFQ FEES (COST RECOVERY PROGRAM) - IMPORTANT!

On March 15, 2000, a major amendment to the IFQ program was approved and published in the Federal Register. The rule change requires that all IFQ permit holders who land IFQ halibut or sablefish must pay fees totaling up to 3 percent of the ex-vessel value of their IFQ landings. Shortly after the rule was final, RAM prepared and distributed an "IFQ Special Notice" explaining the fee program. Because this is the first year for the program, and because the issue has raised a lot of questions, the Special Notice is reprinted below.

Text of IFQ Special Notice on IFQ Cost Recovery Program; April 2000

The Individual Fishing Quota (IFQ) Cost Recovery (Fee) Program is in effect and applies to the entire 2000 IFQ season and beyond. This notice briefly explains the program, your obligations under its terms, and the steps that are being taken to implement it.

At the outset, we caution you that

if you are an IFQ permit holder, landings on your IFQ permit(s) are now subject to a fee that you are responsible for paying. The fee will not exceed 3 percent of the ex-vessel value of IFQ landings on your permit(s) and must be paid by January 31 of the year after landings are made. We advise that you plan now for this financial obligation.

Although the responsibility for paying the fee lies with IFQ permit holders, **IFQ Registered Buyers** that function as shoreside processors also have reporting responsibilities as described below.

Background

The obligation to collect fees for IFQ landings is Federal law enacted by Congress. A 1996 amendment to the Magnuson-Stevens Fishery Management and Conservation Act (MSA) required the Secretary of Commerce to adopt regulations to implement a cost recovery program for the Alaska halibut and sablefish IFQ program. Under the law, we must collect a fee to recover the costs of managing and enforcing the IFQ program. Further, 25 percent of any fees collected must be made available for appropriation to support the IFQ loan program. The fee may not exceed 3 percent of the ex-vessel value of the IFQ species landed.

How the System will Work

For IFQ permit holders: You are responsible for fees owed for all landings on your permit(s), regardless of whether you, or hired skippers, made the landings. After the end of each IFQ season, RAM will (1) use Registered Buyer data to calculate a set of “standard ex-vessel prices” for IFQ fish landed by species, month, and port; (2) compile a list of all your IFQ permit landings by species, month, and port; (3) apply the appropriate “standard ex-vessel price” to each of your landings (which results in a “standard ex-vessel value” for each landing); (4) apply the annual fee percentage (3 percent or lower) to each landing’s “standard ex-vessel value”; and, (5) sum the “standard ex-vessel values” for all your landings and permits. This final result is your total fee owed, as based on the standard prices and values. NMFS will mail you a “bill” that itemizes your landings and shows your total fee liability. When you receive the bill, you must pay it by no later than January 31 of the year following the calendar year in which landings were made. You have two payment options:

1. You may pay the amount billed (i.e., the amount based on RAM’s calculation of the total “standard ex-vessel value” of all your permit landings -- see below); or,
2. You may pay an amount based in whole or in part on “actual” ex-vessel receipts from the sale of your halibut or sablefish. However, if you choose to pay any portion of your fee on the basis of actual receipts, you must be prepared to demonstrate (with those receipts) how much you were paid for those IFQ landings.

For Registered Buyers acting as shoreside processors: You must report to RAM how many pounds, by species, month, and port, of IFQ halibut and/or sablefish you purchased and how much you paid for the product. Reports are due at NMFS by October 15th of each year. Forms and instructions will be available well in advance of that date.

Calculating “standard ex-vessel price” and “standard ex-vessel value”: The Registered Buyer reports are essential for calculating the “standard ex-vessel prices” of IFQ fish for any given year. Upon receipt of the information, RAM will compute the average price paid by species, month, and port (or group of ports). The resulting numbers are the suite of “standard ex-vessel prices” for that year, and will be the basis for calculating the “standard ex-vessel value” of each landing.

Calculating the annual fee percentage: The regulations assume that the fee will be 3 percent (but not more) of the ex-vessel value of the IFQ fish landed. Late in each fishing year NMFS will compute the costs of managing and enforcing the program. If costs are less than expected, and if prices paid for IFQ fish are higher than expected, the annual fee percentage could be adjusted downward for that year. To determine the annual fee percentage, RAM will consider the costs of management and enforcement, and the total “standard ex-vessel value” of all IFQ fish landed on all permits. If applying a 3 percent fee would recover revenues in excess of those needed, the percentage will be set at less than 3

percent. Notice of the new percentage will be published in the Federal Register and reflected in bills sent to permit holders.

Payment of the fee: IFQ permit holders must pay their fees by January 31 of the year following the calendar year in which landings were made. Failure to pay on time will result in the permit holder's Quota Share (QS)/IFQ becoming non-transferable and the person being ineligible to receive any additional QS/IFQ by transfer. Communication with RAM will provide ample opportunity for each IFQ permit holder to reconcile their account. However, if the individual continues not to pay, RAM will produce a formal determination and state the amount due. Any such formal determination may be appealed. **If the formal determination is not appealed and the account remains unpaid or under-paid, the matter will be referred for collection.**

Annual reporting: At least once a year, RAM will publicly report on the fee program. The report will include information on agency management and enforcement costs; the number of IFQ permit holders who paid fees; the amount of the funds allocated to the IFQ loan program; calculation of the annual fee percentage and the "standard" ex-vessel values; and a variety of other information.

Information: If you have any questions on the IFQ Cost Recovery Program, feel free to call RAM at (800) 304-4846 (option #2) or (907) 586-7202 (option #2). Copies of the regulations that govern the program are available in the Federal Register or by accessing the NMFS Alaska Region Internet site at www.fakr.noaa.gov.

IFQ RULES CHANGES UNDER CONSIDERATION

Note that the following discussion of IFQ regulations is for informational purposes only; it should not be relied on as a statement of the legal requirements of the regulations. Current regulations that govern the IFQ program can be found at 50 CFR § 679.

Since the beginning of the IFQ program, there have been numerous adjustments to the regulations. Some of these have been major (such as the "Fish-Down" provisions that came into effect in late 1996), while many have been "technical" in nature. A number of changes, none particularly significant, are pending consideration and approval by the Secretary.

Proposed changes in the IFQ program that are currently pending approval and publication include:

- clarifying the requirements of IFQ fishermen fishing in open access sablefish fisheries in Alaska State waters;
- revising the definition of an "IFQ landing" to include "trailing" -- the removal from the water of a vessel that contains IFQ harvests;

- exempting from the IFQ six-hour prior notice of landing and 12-hour landing window requirements those lingcod fishermen who use dinglebar gear, who hold halibut IFQ, and who wish to land up to 500 pounds of incidental halibut bycatch along with legal landings of lingcod;
- specifying, for IFQ landings that involve more than one registered buyer, which registered buyer is responsible for ensuring compliance with shipment report requirements;
- extending the existing surviving spouse transfer provisions to include a family member designated as a beneficiary to whom the survivorship transfer privileges would extend in the absence of a surviving spouse;
- requiring corporations and partnerships holding QS to provide annual updates to RAM on the status of the corporation or partnership, including the number of shareholders or partners, and compliance with applicable laws of incorporation; and,
- allowing appeals of initial administrative determinations made under the IFQ program regulations to be submitted by electronic media.

Additionally, there are three amendments to the Fishery Management Plan pending, including amendments that would:

- change the sablefish use limits to be calculated in the same way that halibut use limits are calculated. (i.e., in units of QS rather than as a percentage of the QS pool);
- add language specific to estates to the FMP's definition of a "change" in a corporation, partnership, or other entity; and,
- allow "indirect ownership" of vessels for purposes of determining minimum vessel ownership percentages under the IFQ hired skipper provisions.

Changes Under Consideration by the Council

Halibut Sport Charters: At its February 2000 meeting, the Council took final action to establish a halibut sport charter vessel guideline harvest level (GHL). The Council also initiated "fast-track" development of an amendment that would integrate the halibut sport charter fishery into the existing IFQ program. A Council committee developed elements and options for this proposal and reported back to the Council at its April 2000 meeting in Anchorage. An analysis is underway and is to be reviewed at the Council's October meeting in Sitka; final Council action on the proposal is scheduled for February 2001.

Coastal Communities: The Council has been petitioned by the Gulf of Alaska Coastal Community Coalition (GOACCC) to consider a program amendment that would allow small coastal communities located on the Gulf of Alaska to form not-for-profit corporations that could enter the QS market and obtain quota for use by community residents. The proposal was advanced by the coalition after it was noted that a high percent of the QS initially issued to residents of these communities has been transferred. The Council reviewed a discussion paper on this topic at its June 2000 meeting in Portland, Oregon, and is soliciting public comment.

Additional information on both of these topics may be found on the Council's web site: www.fakr.noaa.gov/npfmc.

SECTION II

THE 1999 IFQ SEASON IN REVIEW

The 1999 IFQ season opened on March 15. A total of 7,004 IFQ permits (as defined by unique combinations of species, areas, and vessel categories), including 5,215 halibut permits and 1,789 sablefish permits, were active as of year-end 1999.

When the season ended on November 15, those permits had been used by IFQ holders to report 9,915 vessel landings of IFQ halibut and sablefish, for a total harvest of 97 percent of the IFQ halibut TAC and 94 percent of the IFQ sablefish TAC. The table below displays those landings by species, regulatory area, and IFQ pounds:

Table II-a: 1999 IFQ Halibut and Sablefish Allocations and Landings

Species/Area	Vessel Landings	Area IFQ TAC	Total Harvest	Percent Harvested
Halibut 2C	3,451	10,490,000	9,896,079	94%
3A	3,074	24,670,000	24,310,879	99%
3B	774	13,370,000	13,217,473	99%
4A	307	4,240,000	4,165,215	98%
4B	120	3,184,000	2,776,569	87%
4C	159	1,015,000	767,567	76%
4D	36	1,421,000	1,302,747	92%
Total	7,921	58,390,000	56,436,529	97%
Sablefish SE	744	7,054,720	6,910,643	98%
WY	273	4,023,395	3,942,953	98%
CG	679	9,858,971	9,762,324	99%
WG	134	3,209,898	3,072,512	96%
AI	83	1,825,409	1,095,189	60%
BS	81	1,181,666	626,749	53%
Total	1,994	27,154,059	25,410,370	94%

Notes to Table:

- Vessel landings include the number of reported landings by participating vessels reported by IFQ regulatory area; each such landing may include harvests from multiple IFQ permit holders.
- Halibut weights are reported in net (headed and gutted) pounds; sablefish weights are reported in round pounds.

RATE OF IFQ HARVEST

The following tables display the rate of IFQ harvest by month for each of the past five seasons:

Table II-b: Relative Rate of Halibut IFQ Harvest

Month Ending	1995 (TAC = 37,422,000)	1996 (TAC = 37,422,000)	1997 (TAC = 51,116,000)	1998 (TAC = 55,708,000)	1999 (TAC = 58,390,000)
April 14	3%	11%	9%	8%	12%
May 14	7%	14%	13%	11%	14%
June 14	15%	15%	19%	13%	18%
July 14	9%	10%	11%	12%	11%
August 14	10%	12%	12%	14%	12%
September 14	16%	15%	14%	13%	13%
October 14	14%	11%	10%	11%	10%
End of year	11%	6%	8%	9%	7%
Total %	85%	94%	96%	91%	97%

Table II-c: Relative Rate of Sablefish IFQ Harvest

Month Ending	1995 (TAC = 45,658,049)	1996 (TAC = 35,319,897)	1997 (TAC = 30,233,885)	1998 (TAC = 29,845,875)	1999 (TAC = 27,154,059)
April 14	9%	15%	11%	8%	8%
May 14	21%	24%	24%	17%	20%
June 14	22%	20%	20%	19%	20%
July 14	11%	10%	10%	12%	17%
August 14	4%	8%	11%	11%	7%
September 14	8%	7%	7%	10%	8%
October 14	7%	5%	8%	11%	9%
End of year	7%	3%	4%	5%	5%
Total %	89%	92%	95%	93%	94%

Notes to tables:

- Data include IFQ TACs only; CDQ allocations are not included.
- Retention of halibut after November 15 is prohibited.
- Retention and reporting of sablefish after November 15 is required if IFQ permit includes sablefish balance.

LOCATION OF IFQ LANDINGS

As the following tables display, the “Top Ten” Alaska ports in which the IFQ halibut and sablefish were landed has remained relatively constant over the past five seasons, as has the percentage of IFQ halibut and sablefish landed outside of Alaska.

Table II-d: Top Ten Alaska Halibut Ports 1999

Port	1999 Rank	1999 Pounds (net wt.)	Percent of 1999	1995 Rank	1996 Rank	1997 Rank	1998 Rank
Homer	1	11,563,889	20.5%	2	2	3	1
Kodiak	2	10,065,891	17.8%	1	1	1	2
Seward	3	6,823,915	12.1%	5	3	4	3
Dutch/Unalaska	4	5,197,176	9.2%	4	4	2	4
Juneau	5	2,985,964	5.3%	13	8	8	7
Sitka	6	2,790,193	4.9%	3	5	5	5
Petersburg	7	2,305,390	4.1%	6	6	6	6
Cordova	8	1,444,497	2.6%	8	9	9	9
Hoonah	9	1,335,072	2.4%	7	7	7	8
Yakutat	10	1,304,271	2.3%	10	13	10	10
All “Outside”	N/A	3,065,825	5.4%	N/A	N/A	N/A	N/A
All Ports	N/A	56,436,529	100%	N/A	N/A	N/A	N/A

Table II-e: Top Ten Alaska Sablefish Ports 1999

Port	1999 Rank	1999 Pounds (round wt.)	Percent of 1999	1995 Rank	1996 Rank	1997 Rank	1998 Rank
Seward	1	6,239,105	24.6%	1	1	1	1
Sitka	2	3,304,885	13.0%	2	2	2	2
Kodiak	3	2,636,574	10.4%	4	3	3	3
Dutch/Unalaska	4	2,549,255	10.0%	3	4	4	4
Homer	5	1,510,581	5.9%	9	8	9	6
Yakutat	6	1,405,426	5.5%	5	6	5	5
Juneau	7	1,234,331	4.9%	19	13	8	7
Petersburg	8	924,867	3.6%	7	5	10	9
Cordova	9	912,337	3.6%	8	7	7	10
Hoonah	10	863,203	3.4%	10	9	6	8
All “Outside”	N/A	2,060,476	8.1%	N/A	N/A	N/A	N/A
All Ports	N/A	25,410,370	100%	N/A	N/A	N/A	N/A

1999 HIRED SKIPPER ACTIVITY

During the 1999 IFQ season, a total of 293 Hired Skippers participated in the fishery. Hired Skippers harvested 33 percent (19,371,974 pounds) of the halibut TAC and 47 percent (12,737,449 pounds) of the sablefish TAC.

1999 OVERAGES AND UNDERAGES

Under the IFQ regulations, non-confiscated amounts of IFQ permit “overages” are to be deducted from the following year’s IFQ permit amounts. “Underages” are added, although the actual carry-over may be limited under regulations. The table below summarizes the effects of the 1999 overages and underages on the 2000 IFQ permit amounts.

Table II-f: Effect of Overage/Underage Adjustments on 2000 IFQ Allocations

Species	'99 Permits with Underages	Total Underage	'99 Permits with Overage	Total Overage Adjustment	Net '00 IFQ Pounds
Halibut	3,685	1,607,674	844	[387,294]	1,220,380
Sablefish	1,263	795,747	304	[150,402]	645,345

Notes to table:

- A total of 5,215 halibut permits and 1,789 sablefish permits (by area and category) were active as of the end of the 1999 IFQ season.
- The “Net '00 IFQ Pounds” column displays the total number of IFQ pounds that will be issued above the TAC for the 2000 sablefish and halibut IFQ season.

USE OF TRANSACTION TERMINALS

Registered Buyers must report IFQ landings by using electronic Transaction Terminals. This allows for “real-time” accounting of individual harvests and contributes significantly to management of each individual IFQ holder’s IFQ account. During the first two IFQ seasons, technical problems were experienced with the remote Transaction Terminals; however, by the end of 1996, most of the problems had been worked out. Since that time, use of the Transaction Terminals has been the norm, rather than the exception. The following table shows the increase in electronic reporting of IFQ landings over time. A “transaction” is a report by vessel, person, harvest area, and species.

Table II-g: Use of Transaction Terminals

Reporting Year	Number of “Transactions”	Number of “Transactions” Using Transaction Terminals	Percent Reported By Transaction Terminal
1996	11,196	5,908	53%
1997	12,753	11,294	89%
1998	11,801	11,062	94%
1999	12,852	12,451	97%

REGISTERED BUYER INFORMATION

Landings of IFQ halibut and sablefish must be reported by an IFQ Registered Buyer (RB) (which may be, and in many instances is, the QS holder). The following table displays the number of RB permits issued by RAM for the 1999 IFQ season, as well as the number of RBs who reported landings.

Table II-h: Number and Type of Registered Buyer Permits Issued for 1999

Type of RB	Number of RB Permits Issued	Number Reporting Landings	Percent Reporting Landings
Buyer-Broker	61	20	33%
Catcher/Seller	553	132	24%
Retail	6	3	50%
Mothership	9	1	11%
Tender	5	0	0%
Catcher/Processor	56	19	34%
Restaurant	12	4	33%
Shoreside	127	88	69%
Other	10	4	40%
Total	839	271	32%

Note: The “Type of Buyer” is the primary business type designated on permit applications.

The following table displays the varying amounts of IFQ landings reported by RBs during the 1999 IFQ season. The numbers show that there are significant differences in the amounts of IFQ harvests that were reported by those buyers. As the above table shows, fewer than 35 percent of those who held 1999 RB permits actually reported landings; data reported on the following table suggest that a large number of those RBs who did report landings, reported relatively small amounts. This information is consistent with earlier years.

**Table II-i: Mean (Average), Median, Largest, and Smallest Reported IFQ
Halibut and Sablefish Pound Totals for Registered Buyers for 1999**

Species	RBs Reporting Landings	Mean Pounds	Median Pounds	Largest Pounds	Smallest Pounds
Halibut	250	225,746	25,160	5,210,093	55
Sablefish	121	210,003	30,488	2,473,032	91

1999 IFQ ENFORCEMENT ACTIVITIES

Enforcement of the regulations that govern fishing under the IFQ program is accomplished by the U.S. Coast Guard and the NMFS Alaska Enforcement Division (AED). As a general rule, the Coast Guard is primarily responsible for at-sea enforcement, although it also conducts on-shore enforcement consisting of dock-side monitoring and after-hours surveillance of high threat areas. The AED is primarily responsible for on-shore (dock-side) monitoring, accounting for IFQ shipments, fraud investigations, and other enforcement activities.

During 1999, Coast Guard personnel conducted 236 at-sea boardings and 158 dock-side inspections of IFQ off-loads, and spent 854 hours on focused after-hours surveillance. These activities resulted in the detection of 22 fishing violations. Also during 1999, the AED monitored 339 IFQ off-loads, and reports that a total of 258 cases were initiated. Detailed enforcement reports are available from the Coast Guard and AED. The Coast Guard reports "...the lack of (anecdotal) reports, coupled with few significant violations detected during boardings and dockside monitors, leads us to conclude there is a high rate of compliance with the program by U.S. fishers."

Those who violate the regulations assume considerable risk of detection and prosecution. Examples of recent penalties include forfeiture of QS, payment of fines, and other forms of criminal sentencing (i.e., jail time).

1999 VESSEL SAFETY STATISTICS

In addition to its enforcement responsibilities, the Coast Guard also monitors safety-at-sea, and reports that, during the 1999 IFQ season, there were 10 Search and Rescue (SAR) missions attributable to halibut and sablefish fishing activity (compared with 15 in 1995, seven in 1996, and nine in 1997 and 1998). There were two sinkings in 1999 (compared with four in 1995, seven in 1996, two in 1997, and none in 1998), and one life lost (compared with one in 1995, two in 1996, and one in 1997 and 1998). In the three years prior to the IFQ fishery, there were an average of 28 SAR missions, two vessel sinkings, and two lives lost during the short "derby" seasons.

SECTION III

THE IFQ PROGRAM - BY THE NUMBERS

One way of assessing the performance of a program that restricts access to fisheries is to quantify as many elements as possible and to report on those data to the fleet, fisheries managers, the general public, and policy-makers. That is the purpose of this section of the 2000 Report to the Fleet. Below, we discuss implementation issues (initial issuance and appeals), consolidation of QS holders, consolidation of vessels, "IFQ Crewmembers" who have entered the fishery since the IFQ program began, etc.

In many ways, these data simply display the results of decisions made by thousands of QS holders -- decisions to appeal determinations, to buy or sell QS, to fish, to join with other QS holders on a vessel, etc. They are reported generally without comment; the numbers speak for themselves.

INITIAL ISSUANCE OF QS, DETERMINATIONS, AND APPEALS

During the initial application period, more than 6,000 persons applied for more than 9,000 QS certificates (by area, species, and vessel category). From that pool of applications, approximately 1,100 were determined not to be eligible for QS, while some 650 others challenged part or all of the official records that were used to determine who received QS, how much, and what type. All applicants whose claims, in whole or in part, were denied, received an Initial Administrative Determination (IAD) from RAM. Although the application period formally ended in July of 1994, a few applications were received during 1999. They were denied with IADs.

Of the approximate 1,800 IADs issued by RAM, fewer than 10 percent (179) were appealed to the Office of Administrative Appeals. The following table shows the issues which gave rise to the appeals:

Table III-a: **Appeals from RAM Initial Administrative Determinations on IFQ Program Applications as of Mid-Year 2000**

Reasons for IFQ Appeals	Number
Basic Eligibility for Quota Share Issuance	48
Ownership/Lease Conflicts	42
Untimely Applications	36
Additional Qualifying Pounds	20
Successor-in-Interest Determinations	13
Vessel Category Determinations	8
Challenge to IFQ Regulations	7
Miscellaneous/Other Reasons	5

Disposition of Administrative Appeals

Table III-b: Status of IFQ Appeals

Status of IFQ Appeals as of Mid-Year 2000	Number
Decisions Issued (Final Determinations Made)	143
Appeal Settled or Dismissed (Final Determinations Made)	31
Decisions Pending	5

Appeals of Final Agency Actions

A Decision of the Office of Administrative Appeals becomes a Final Agency Action 30 days after it is published, unless the Regional Administrator decides otherwise. An appellant may appeal a Final Agency Action to the federal courts. As of mid-year 2000, 10 of the 143 Final Agency Actions on IFQ appeals had been appealed to the U.S. District Court (and one was further appealed to the 9th Circuit Court of Appeals). The following table identifies and shows the status of those appeals.

Table III-c: Status of Appeals to Federal Courts

Case Title (Nature of Dispute)	Status of Appeal
Kristovich v. Dell (Lease/Ownership)	District Court Judgment for Defendant (NMFS)
Smee v. Echo Belle (Lease/Ownership)	District Court Judgment for Defendant (NMFS)
Weikal v. Cole (Lease/Ownership)	District Court Partial Judgment for Defendant (NMFS)
Gates v. B-Boats et al (Lease/Ownership)	District Court Partial Judgment for Defendant (NMFS)
Harper v. West (Ownership Conflict)	District Court Judgment for West (Appellant)
Foss v. (NMFS) (Untimely Application)	9 th Circuit Court Judgment for Defendant (NMFS)
Prowler Partnership v. (NMFS) (Ownership)	Pending on Remand to NMFS (Defendant)
Prowler Partnership v. (NMFS) (Landings)	District Court Judgment for Defendant (NMFS)
Ocean Prowler v. (NMFS) (Landings)	District Court Judgment for Defendant (NMFS)
Petticrew v. (NMFS) (Regulation Challenge)	Settled prior to Judgment

QUOTA SHARE TRANSFER ACTIVITY

Compared with the first three years of the program, QS and IFQ transfer activity declined significantly during 1998 and 1999.

The following three tables (for halibut, sablefish, and both species combined) display a summary of QS/IFQ transfer activities (numbers of approved transfer applications) from the beginning of the program in late 1994 through year-end 1999:

Table III-d: Numbers of Approved QS/IFQ Transfers (Halibut) 1995 - 1999

Transfer Type	1995	1996	1997	1998	1999
Regular QS/IFQ	1,217	1,397	1,004	539	611
IFQ Only ("lease")	31	61	53	43	39
Sweep-up of Small Blocks	31	63	441	148	150
Total - Halibut Transfers	1,279	1,521	1,498	730	800

Table III-e: Numbers of Approved QS/IFQ Transfers (Sablefish) 1995 - 1999

Transfer Type	1995	1996	1997	1998	1999
Regular QS/IFQ	352	351	388	185	237
IFQ Only ("lease")	76	51	51	57	53
Sweep-up of Small Blocks	15	20	82	33	22
Total - Sablefish Transfers	443	422	521	275	312

Table III-f: Numbers of Approved QS/IFQ Transfers (Both Species) 1995 - 1999

Transfer Type	1995	1996	1997	1998	1999
Regular QS/IFQ	1,569	1,748	1,392	724	848
IFQ Only ("lease")	107	112	104	100	92
Sweep-up	46	83	523	181	172
Total - All Transfers	1,722	1,943	2,019	1,005	1,112

The overall distributive effects of the transfers summarized above have not been dramatic (at least with respect to net "gains" and "losses" of QS/IFQ by Alaskans v. Non-Alaskans). The following table summarizes the transfer of QS/IFQ between Alaskans and non-Alaskans. As in the past, the total amount of QS held by Alaskans continues to increase as a result of transfer activity (with the exception of sablefish sweep-ups).

Table III-g: **Halibut QS/IFQ Transfer Activities 1994 - 1999**
(Permanent Transfers; IFQ-Only Transfers Not Included)

Transfer Activity	Transfer Numbers	QS Units	1999 IFQ Pounds
Transfer of QS to Alaskans from non-Alaskans	803	29,636,530	5,211,160
Transfer of QS from Alaskans to non-Alaskans	640	20,548,079	3,537,158
Net gain (loss) of QS to Alaska Resulting From Transfers		9,088,451	1,674,002
Sweep-ups to Alaskans from non-Alaskans	110	661,154	125,159
Sweep-ups from Alaskans to non-Alaskans	91	501,485	106,099
Net gain (loss) of QS to Alaska Resulting From Sweep-ups		159,669	19,060

Note: Designation of "Alaskan" and "non-Alaskan" is premised upon the address provided by the parties to the transfers. RAM makes no attempt to determine, or to verify, a person's state of legal residence.

Table III-h: **Sablefish QS/IFQ Transfer Activities 1994 - 1999**
(Permanent Transfers; IFQ-Only Transfers Not Included)

Transfer Activity	Transfer Numbers	QS Units	1999 IFQ Pounds
Transfer to Alaskans from non-Alaskans	275	26,396,585	2,231,553
Transfer from Alaskans to non-Alaskans	235	13,679,094	1,211,155
Net gain (loss) of QS to Alaska Resulting From Transfers		12,717,491	1,020,398
Sweep-ups to Alaskans from non-Alaskans	19	172,289	15,574
Sweep-ups from Alaskans to non-Alaskans	33	194,123	16,672
Net gain (loss) of QS to Alaska Resulting From Sweep-ups		[21,834]	[1,098]

Note: Designation of "Alaskan" and "non-Alaskan" is premised upon the address provided by the parties to the transfers. RAM makes no attempt to determine, or to verify, a person's state of legal residence.

Transfer Eligibility Certificates

Eligibility to receive Catcher Vessel QS by transfer is restricted to those persons who received QS by initial issuance and those individuals who can demonstrate that they have served as a member of the harvesting crew in any U.S. fishery for no fewer than 150 days. Those individuals are designated as "IFQ Crewmembers" and receive Transfer Eligibility Certificates (TECs) from RAM. The following table displays the total number of TECs issued to IFQ Crewmembers, by residence category, since the inception of the program. It also shows how many of those Crewmembers were holding QS at the end of 1999.

Table III-i: **Summary of Transfer Eligibility Certificate ("IFQ Crewmember")
Issuance ('94 - '99) and "Crewmembers" Holding QS as of Year-End 1999**

Claimed Residency	"Crewmember" TECs Issued ('94 - '99)	"Crewmembers" Holding QS/IFQ at Year-End 1999
Alaskan	1,387	661
Non-Alaskan	547	199
Total	1,934	860

Note: Designation of "Alaskan" versus "non-Alaskan" is premised upon the most recent address provided by the applicants. RAM makes no attempt to determine, or to verify, a person's state of legal residence.

Quota Acquired by “IFQ Crewmembers” by Species, Area, and Residence Category

The following table displays “Alaskan” and “Non-Alaskan” IFQ Crewmember holdings of QS as of the end of 1999 (as expressed in 1999 IFQ pound equivalents and as a percentage of the 1999 TAC).

Table III-j: **Quota Held by “IFQ Crewmembers” by Species, Area, and Residence Category at Year-End 1999, Expressed in 1999 IFQ Pounds**

Species/ Area		“Alaskan” IFQ Pounds	“Non-Alaskan” IFQ Pounds	Total 1999 IFQ Pounds	Percent of TAC
Halibut	2C	1,406,223	442,174	1,848,397	17.6%
	3A	2,323,663	103,712	2,427,375	9.8%
	3B	1,393,095	725,205	2,118,300	15.8%
	4A	545,952	232,201	778,153	18.4%
	4B	134,037	214,169	348,206	10.9%
	4C	126,757	26,860	153,617	15.1%
	4D	104,901	69,820	174,721	12.2%
Halibut Total		6,034,628	1,814,141	7,848,769	13.4%
Sablefish	SE	441,721	458,054	899,775	12.8%
	WY	116,850	134,643	251,493	6.2%
	CG	199,306	311,039	510,345	5.1%
	WG	66,638	77,276	143,914	7.8%
	AI	18,285	59,473	77,758	4.2%
	BS	14,295	17,737	32,032	2.7%
Sablefish Total		857,095	1,058,222	1,915,317	7%

Notes to Table:

- An “IFQ Crewmember” is an individual who did not receive QS/IFQ by initial issuance, but who applied for, and was issued, a Transfer Eligibility Certificate and subsequently received QS by transfer.
- The designation of “Alaskan” and “Non-Alaskan” is premised upon the address provided by the most recent address provided by the applicants. RAM makes no attempt to determine, or to verify, a person’s state of legal residence.
- Pounds are derived from QS held and are not adjusted.

Liens Against QS

Since mid-1995, RAM has informally recorded liens against QS on behalf of creditors. Although there is no legal requirement that liens must be so filed and these filings do not legally perfect a creditor's interests in the QS, most lending institutions take advantage of the service. The following table shows, by species and types of lienholders, the number of liens that are currently recorded by RAM. Note that the table displays the number of liens that have been filed against identifiable QS segments (blocks, segments of unblocked, etc.), and not against QS holders.

Table III-k: Liens Against QS Segments Recorded by RAM as of Year-End 1999

Type of Lienholder	Halibut	Sablefish	Total Liens
Private Banks (including CFAB)	823	492	1,315
State of Alaska (Div. Of Investments)	160	38	198
State of Alaska (Child Support)	18	5	23
Private Lenders (other than Banks)	157	90	247
CDQ Groups	35	1	36
Multiple Sources of Liens	13	6	19
NMFS Financial Services Branch	80	33	113
Internal Revenue Service	73	10	83
Total - All Recorded Liens	1,359	675	2,034

Note: Table displays liens recorded by RAM; liens may be recorded in other venues, as well.

CONSOLIDATION OF QS

As was anticipated, as a result of transfer choices made by QS holders, there has been a consolidation of QS into the hands of fewer persons than who received the QS by initial issuance. The following tables show, by area and size of holding, how transfer activities have resulted in the consolidation of QS. Note that the reported numbers of persons holding QS that yields IFQ of differing amounts have changed from the report published in the 1999 Report to the Fleet. These minor changes result from two causes: 1) the table is updated to include those who received their QS for the first time during 1999 (as a result of appeal determinations and settlements); and, 2) the table displays the amounts in 1999 IFQ pound equivalents (1999's report used 1998 IFQ pound equivalents).

Table III-1: **Consolidation of Halibut QS - Initial Issuance Through 12/31/99 (Numbers of Persons Holding Halibut QS by Area and Size of Holdings, Expressed in 1999 IFQ Pounds)**

Area	Size of Holding (‘97 IFQ Pounds)	Number of Initial Issuees	Holders as of End of 1996	Holders as of End of 1997	Holders as of End of 1998	Holders as of End of 1999
2C	3,000 or less	1,445	1,089	927	874	819
	3,001-10,000	632	492	474	467	459
	10,001-25,000	267	280	272	272	268
	over 25,000	43	59	69	72	77
	2C Total:	2,387	1,920	1,742	1,685	1,623
3A	3,000 or less	1,770	1,398	1,211	1,119	1,040
	3,001-10,000	649	501	488	490	477
	10,001-25,000	368	361	359	351	348
	over 25,000	283	281	288	287	291
	3A Total:	3,070	2,541	2,343	2,247	2,156
3B	3,000 or less	480	352	252	218	188
	3,001-10,000	261	194	162	143	131
	10,001-25,000	162	130	136	142	137
	over 25,000	152	162	165	166	174
	3B Total:	1,055	838	715	669	630
4A	3,000 or less	286	212	180	158	136
	3,001-10,000	120	93	77	76	79
	10,001-25,000	71	68	64	64	63
	over 25,000	52	60	61	61	59
	4A Total:	529	433	382	359	337
4B	3,000 or less	32	28	25	21	16
	3,001-10,000	40	35	32	31	29
	10,001-25,000	46	42	36	34	28
	over 25,000	34	36	39	38	44
	4B Total:	152	141	132	124	117
4C	3,000 or less	20	19	19	17	17
	3,001 - 10,000	29	28	25	22	21
	10,001 - 25,000	20	20	20	19	19
	over 25,000	11	13	19	14	14
	4C Total:	80	80	61	72	71
4D	3,000 or less	9	8	7	6	5
	3,001 - 10,000	20	18	15	12	12
	10,001 - 25,000	15	15	19	2	23
	over 25,000	15	15	19	20	23
	4D Total:	68	68	61	56	53
ALL	3,000 or less	2,522	2,244	1,936	1,832	1,672
	3,001 - 10,000	1,158	925	878	865	853
	10,001 - 25,000	648	629	613	613	586
	over 25,000	500	523	537	536	538
	Total All Areas (Unique Persons)	4,828	4,321	3,964	3,846	3,649

Table III-m: **Consolidation of Sablefish QS -- Initial Issuance Through 12/31/99 (Numbers of Persons Holding QS by Area and Size of Holdings, Expressed in 1999 IFQ pounds)**

Area	Size of Holding ('97 IFQ Pounds)	Number of Initial Issuees	Holders as of End of 1996	Holders as of End of 1997	Holders as of End of 1998	Holders as of End of 1999
SE	5,000 or less	394	305	254	227	170
	5,001-10,000	107	83	79	82	60
	10,001-25,000	127	134	130	124	127
	over 25,000	83	86	90	92	147
	SE Total:	711	608	553	525	504
WY	5,000 or less	296	236	197	187	119
	5,001-10,000	54	48	47	48	43
	10,001-25,000	59	60	56	56	52
	over 25,000	45	48	50	50	104
	WY Total:	454	392	350	341	318
CG	5,000 or less	360	299	253	242	195
	5,001-10,000	66	51	54	54	37
	10,001-25,000	88	76	67	61	63
	over 25,000	127	127	122	122	163
	CG Total:	641	553	496	479	458
WG	5,000 or less	124	112	97	91	79
	5,001-10,000	46	38	39	35	13
	10,001-25,000	33	31	31	29	42
	over 25,000	28	30	30	32	51
	WG Total:	231	211	197	187	185
AI	5,000 or less	77	70	64	63	33
	5,001-10,000	17	19	20	17	15
	10,001-25,000	23	22	21	19	27
	over 25,000	18	19	19	20	37
	AI Total:	135	130	124	119	112
BS	5,000 or less	97	87	83	80	45
	5,001-10,000	16	17	17	17	24
	10,001-25,000	19	18	18	18	25
	over 25,000	12	13	13	13	33
	BS Total:	144	135	131	128	127
ALL	5,000 or less	541	497	446	417	403
	5,001 - 10,000	109	102	113	115	114
	10,001 - 25,000	146	145	144	141	140
	over 25,000	254	252	244	246	240
	Total All Areas (Unique Persons)	1,050	996	947	919	897

Notes to tables:

- Halibut data do not include Area 4E; there is no IFQ allocation for that area.
- The data in the tables are not additive; QS holders may (and many do) hold QS in more than one administrative area for both halibut and sablefish.

VESSEL PARTICIPATION

Another view of consolidation that could occur under IFQ management is provided by examining the number of vessels participating and to compare those numbers with earlier seasons. The table below displays the degree of “consolidation” of vessels that has occurred under the IFQ program. Note that in the columns that display the number of vessels participating by area, the same vessels may have participated in the fishery in different areas. The final row of data shows the total number of unique vessels that participated in the fisheries in any regulatory area.

Table III-n: Vessels Participating in Halibut Fishery; *All Vessels Landing Halibut*, by Area 1992 - 1999 Seasons

Species/Area	Before IFQ Program			Last Five IFQ Seasons				
	'92	'93	'94	'95	'96	'97	'98	'99
Halibut 2C	1,775	1,562	1,461	1,105	1,029	993	836	840
3A	1,924	1,529	1,712	1,145	1,104	1,076	899	892
3B	478	401	320	332	350	357	325	323
4A	190	165	176	140	147	142	120	121
4B	82	65	74	57	64	69	47	51
4C	62	58	64	35	41	46	30	36
4D	26	19	39	27	33	33	22	29
All Unique	3,452	3,393	3,450	2,057	1,962	1,925	1,601	1,613

Table III-o: Vessels Participating in Sablefish Fishery; *Catcher Vessels Landing Sablefish*, by Area 1992 - 1999 Seasons

Species/Area	Before IFQ Program			Last Five IFQ Seasons				
	'92	'93	'94	'95	'96	'97	'98	'99
Sablefish SE	507	391	488	378	378	326	296	283
WY	266	196	249	228	218	218	176	162
CG	588	462	562	326	294	273	241	226
WG	103	29	19	86	81	79	66	63
AI	27	33	33	53	50	47	26	27
BS	72	40	31	55	49	41	28	20
All Unique	1,123	915	1,139	517	503	504	449	433

IFQ LOANS
THE NORTH PACIFIC LOAN PROGRAM

Beginning in 1998, the NMFS Financial Services Branch in Seattle, Washington, began making loans to purchase or refinance QS for “Entry-Level Fishermen” and “Fishermen Who Fish From Small Vessels” under the authority of the MSA’s provisions for IFQ loans. Funding for a loan guarantee fund (which will eventually be drawn from receipts from IFQ fee collection) was provided in both the Fiscal Year (FY) 1998 and FY 1999 budgets, which made \$5,000,000 available for the loans during both years.

The NMFS Financial Services Branch has received far more applications for loans than the available funding will support. Therefore, a lottery has been conducted to establish a priority for loan application processing. The following table displays, by borrower’s state of residence, the number of loans and amounts approved during FY 1998 and 1999 (ending September 30, 1999):

Table III-p: Status of NMFS Loans for Purchase of QS/IFQ

Borrower’s State of Residence	FY 1998		FY 1999		Total Loans Total Amount Loaned	
	Loans	Amount	Loans	Amount		
Alaska	30	\$2,504,747	29	\$2,541,881	59	\$5,046,628
Washington	14	1,761,108	15	2,190,819	29	3,951,927
Oregon	1	169,336	3	205,800	4	375,136
Georgia	1	250,000			1	250,000
Idaho	1	200,000			1	200,000
Michigan			1	61,500	1	61,500
Utah	1	114,808			1	114,808
Total	48	\$4,999,999	48	\$5,000,000	96	\$9,999,999

Additional information on the loan program may be obtained by contacting the Financial Services Branch, NW Region, 7600 Sand Point Way NE, BIN C15700, Building 1, Seattle, WA 98115, by calling (206) 526-6122, or by fax at (206) 526-6306.

APPENDIX

AVOIDING SEABIRDS IN THE HOOK AND LINE FISHERIES (INFORMATION PROVIDED BY NMFS PROTECTED RESOURCES DIVISION)

Seabird/Longline Fishery Interactions—Where Are We

In 1997, NMFS required groundfish hook-and-line vessels to use seabird avoidance gear and methods to reduce the incidental catch of seabirds. These same regulations were required of halibut vessels in 1998. As you may recall, one of the key reasons for the bycatch reduction effort was to avoid taking an endangered species, the Short-tailed Albatross (there are only about 1,200 in the world today!). But any efforts to avoid this rare albatross are similarly effective at avoiding other seabirds as well.

These regulatory measures are a part of NMFS's Seabird Bycatch Reduction Program which include: research on the effectiveness of seabird avoidance measures, estimating the levels of bycatch, and outreach and education regarding the effective use of seabird avoidance measures.

IPHC Port Samplers collected seabird/fishery interaction information from halibut vessels in 1998 and 1999. We ask for your continued cooperation with their data collection efforts in 2000.

2000 Logbooks: Beginning this year, you will need to record in your logbooks (catcher vessel groundfish/IFQ daily fishing or catcher/processor groundfish/IFQ daily cumulative production) what type of seabird avoidance gear you use for each set. NMFS will use this data to make improved estimates of seabird bycatch levels.

Revised Regulations: Also this year you can expect the seabird avoidance requirements to be modified based on a Council recommendation that regulations be revised such that (1) weights must be added to the groundline to cause the baited hooks to sink quickly, (2) any embedded hooks must be removed from fish offal prior to its discharge, (3) towed boards or sticks would no longer qualify as a bird avoidance measure, and (4) these regulations would apply to vessels greater than 35 feet (10.7m) length overall (with the regulatory change, vessels 26 feet to 35 feet would no longer have to use seabird avoidance measures). These regulations are proposed and you can expect final regulations sometime in 2000.

For additional information, contact NMFS Protected Resources Division at (907) 586-7424 or visit the NMFS Alaska Region web site at www.fakr.noaa.gov/protectedresources/seabirds.html.

VESSEL SAFETY INFORMATION
(PROVIDED BY U.S. COAST GUARD)

There are some things that you can do to ensure your vessel and crew are “Ready for Sea” and thereby increase the chances of your safe return.

Weather

- Did the master check the weather before departing and assess whether it is safe to depart port?
- Is there adequate weather forecast communications equipment on board to monitor weather?

Crew

- Have drills been conducted and has every crewmember participated?
- Are there enough crew on board and work scheduled so that fatigue is not a problem?
- Has an experienced crewmember reviewed deck/pot/fishing hazards?

Stability/Overloading

- Are hatches operable and secured to ensure the vessel is watertight?
- Are freeing ports unblocked to allow free flow of water off the deck?
- Are bait shacks and deck loads properly secured so that they won't break loose?
- Are bin boards in place to keep the load from shifting?
- Is the vessel tanked to reduce free surface effect (fuel, water, and catch not freely moving in tank)?
- Is the stability book (if available) up-to-date and vessel operated in accordance with guidelines?

EPIRBS and Communications Equipment

- Has the 406 MHz EPIRB been tested within the past 30 days, mounted, and in the ARMED position?
- Is there at least one single side band radio or long range communications equipment on board?
- Do you and your crew know how to make a distress call and the frequencies to be used?
- Is there emergency power for the communications equipment and/or back up handheld VHF radios?

Immersion Suits

- Is there one for every person on board and are they stowed in readily accessible locations?
- Has each person donned a suit and does it fit properly?
- Are all suits serviceable (zippers waxed and operable, inflation bladder attached, etc.)?

Survival Craft

- Is it large enough to carry every person on board?
- If a life raft is carried, has it been serviced within the past 12 months?
- Does every person on board know how to launch the survival craft?
- Is the life raft properly installed so it will deploy in an emergency?

PFD/Work Vest

- Do crewmembers wear flotation (suspenders, float coats, etc.) when working on deck?
- Are personal marker lights (strobe, fixed bright, etc.) attached to the flotation devices?

Damage Control

- Are damage control kits with plugs, wedges, etc. placed in strategic locations on the vessel?
- Have crewmembers received damage control training?
- Are there operable high water alarms to alert the crew when the vessel begins to take on water?
- Are there adequate bilge pumps to remove accumulated water quickly?
- Have the shaft and rudder post(s) been checked to see that there is no or only minimal leakage?

Fire Fighting

- Are there adequate numbers of serviceable fire extinguishers on board?
- Do crewmembers know where to locate and how to operate the fire fighting equipment?
- Have crewmembers been trained on how to extinguish a shipboard fire?

Third Party Exam of Vessel

- Has the vessel been examined by a surveyor, Coast Guard dockside examiner, classification society, etc., to ensure it is **READY FOR SEA!!!**?
- Have safety deficiencies been corrected?

The Coast Guard offers a free, voluntary dockside examination program. A Commercial Fishing Vessel Safety Examiner will come to your vessel at *your* convenience. The examiner will examine your safety gear, look over the general condition of your vessel, and discuss emergency procedures with you and your crew. If your vessel meets all Coast Guard requirements, a year-dated decal (valid for two years) will be issued. However, if it does not meet the requirements, the examiner will issue a work list so that you will know exactly what you need to do and can correct the discrepancies. That's all! No penalties, no enforcement action. Once the discrepancies are corrected, the examiner will come back to check the vessel over and issue the decal. For more information, contact your local Marine Safety Office or Marine Safety Detachment.

Coast Guard Marine Safety Contacts

Location	Phone Number	Location	Phone Number
Anchorage	(907) 271-6725	Kodiak	(907) 487-5750
Juneau	(907) 463-2448	Sitka	(907) 966-5454
Kenai	(907) 283-3292	Valdez	(907) 835-7223
Ketchikan	(907) 225-4496	Unalaska	(907) 581-3466

INTERNAL REVENUE SERVICE “TAX TIPS”

Although the authority was not exercised during 1999, it is generally conceded that the IRS may seize (and, in fact, has seized) QS from fishermen who, according to the IRS, are delinquent in paying their Federal taxes. Money derived from the sale (at auction) of the QS is first applied to the alleged tax debt; any balance is then returned to the erstwhile QS holder. To avoid this from happening to QS holders in the future, the IRS has provided the following “Tax Tips” and has asked that they be shared with the IFQ fleet. According to the IRS:

1. You can get help and forms in several different ways. If you need a form, call **1-800-TAX-FORM** between 6:30 a.m. and 4:30 p.m. during the week. If you have a fax machine, the IRS can fax you over 100 of the most requested forms and instructions. Just call **(703) 368-9694** from the telephone connected to the fax machine. If you need a question answered, call **1-800-829-1040** between 6:00 a.m. and 10:00 p.m. (Alaska Time), Monday through Saturday. If you have access to the Internet, look up the IRS at [<www.irs.ustreas.gov>](http://www.irs.ustreas.gov). You can get forms and instructions, publications, fact sheets, and answers to frequently asked questions;
2. File your tax returns on time, even if you cannot pay all that you owe. For advice on how to get current and keep current on filing and paying your taxes, call **(907) 271-6387**. The IRS will help you work out appropriate payment options based upon your ability to pay. Ignoring your taxes may be tempting in the short run, but filing your tax returns timely and working out payment arrangements will be the least expensive to you over the long run; and,
3. Do not ignore correspondence from the IRS. If you disagree with the billing or have any questions, help is a phone call away. If you have tried to resolve the problem with the IRS and it just will not go away, the IRS has a special advocate who can help cut through the red tape. To reach the Taxpayer Advocate’s office in your area, call **1-800-829-1040**, and ask for your local advocate.

THE IFQ PROGRAM ON THE INTERNET

The Alaska Region of NMFS maintains an Internet site at www.fakr.noaa.gov. The site contains a wealth of information on fisheries management and marine mammals in the North Pacific, including information from all Alaska Region Divisions. Additionally, “links” to other fishery agencies (the Council, the Alaska Department of Fish and Game, the State Commercial Fisheries Entry Commission, the International Pacific Halibut Commission, etc.) are included.

IFQ program information can be found in the RAM section of the regional Home Page, and includes:

- Historic and Current-Year IFQ and CDQ TACs and landings information;
- Information on IFQ transfer activities;
- Current “Special Notices” that provide information on the IFQ program and its implementation;
- Latest RAM Report to the Fleet;
- Application forms and instructions for IFQ transactions (transfers, hired skipper, etc.);
- Links to IFQ research undertaken by the State of Alaska (Commercial Fisheries Entry Commission);
- Lists of QS holders and the size of QS holdings (including a subset of QS that can be “swept up” under the IFQ block program);
- Tables of Quota Share Pools and Use and Vessel Caps; and,
- A variety of other information.

AGENCY CONTACT NUMBERS

If you have any questions of program and resource managers, the list of contacts below can point you in the right direction.

Alaska Region, National Marine Fisheries Service

Division/Agency	Telephone	Facsimile
NMFS/Regional Administrator	907-586-7221	907-586-7249
NMFS/Restricted Access Management	800-304-4846 (#2)	907-586-7354
NMFS/Sustainable Fisheries Division	800-304-4846 (#3)	907-586-7465
Sustainable Fisheries - Kodiak	907-481-1780	907-481-1781
Sustainable Fisheries - Dutch Harbor	907-581-2062	907-581-3356
NMFS/Protected Resources Division	907-586-7235	907-586-7012
NMFS/Office of Administrative Appeals	800-304-4846 (#4)	907-586-9361
NMFS/Alaska Enforcement Division	800-304-4846 (#1)	907-586-7200
Alaska Enforcement - Anchorage	907-271-3021	907-271-4915
Alaska Enforcement - Kodiak	907-486-3298	907-486-6868
Alaska Enforcement - Dutch Harbor	907-581-2061	907-581-2064
Alaska Enforcement - Ketchikan	907-247-5804	907-247-5804
Alaska Enforcement - Sitka	907-747-6940	907-747-6541
Alaska Enforcement - Petersburg	907-772-2285	907-772-2287
Alaska Enforcement - Homer	907-235-2337	907-235-2209

Other Important Agencies & Telephone Numbers

North Pacific Fishery Management Council	907-271-2809
International Pacific Halibut Commission	206-634-1838
State of Alaska, ADF&G (Commercial Fisheries)	907-465-4210
State of Alaska, Commercial Fisheries Entry Commission	907-789-6160
United States Coast Guard - Emergency Number	800-478-5555
United States Coast Guard - Enforcement	907-463-2289
United States Coast Guard - Vessel Documentation Center	800-799-8362
United States Coast Guard - Vessel Safety	800-478-7369

***DESCRIPTION OF THE HALIBUT AND SABLEFISH IFQ PROGRAM
(FROM THE 1997 REPORT TO THE FLEET)***

The 1997 Report to the Fleet contained a summary of the history and various elements of the halibut and sablefish IFQ program. Many who read it said that they found it to be a useful reference. Accordingly, we have reprinted the information in succeeding Reports to the Fleet. Although the report provides a general overview of the elements of the program, we caution that the rules that govern the program are complex and sometimes confusing. Therefore, we urge those who have questions about the program to contact RAM.

A BRIEF HISTORY OF THE IFQ PROGRAM

In December of 1991, the Council proposed an IFQ program as the best alternative to address problems associated with excess harvesting capacity in the Pacific halibut and sablefish longline fisheries off Alaska. The decision to propose an IFQ program resulted from years of discussion and debate about the best way to address the problems created by overcapitalization in the fisheries (sometimes expressed as "too many boats chasing too few fish"). These problems included short "derby" openings (in most areas, seasons lasted less than a week), lost gear (and resulting "ghost fishing"), gear conflicts, safety concerns, poor product quality, low ex-vessel prices, and a host of other issues.

The IFQ approach was chosen to provide fishermen with the authority to decide how much and what type of investment they wished to make to harvest the resource. By guaranteeing a certain amount of catch at the beginning of the season, and by extending the season over a period of 8 months, those who held the IFQ could determine where and when to fish, how much gear to deploy, and how much overall investment in harvesting they would make.

One way to achieve the advantages of such a program was to insure the transferability of quota from one person to another. But concerns were expressed about allowing quota to be freely transferred. To address the fear that most of the quota could eventually be concentrated into very few hands (thus undermining the economies of fishery-dependent communities), and could be held by persons who do not fish (thus establishing a "landlord" class of quota holders), the Council designed a number of constraints to unrestricted transferability. This was done to ensure that the characteristics of the fleet that existed prior to the IFQ program (an essentially "owner-operator" fleet of catcher vessels of various lengths) would not be fundamentally changed by the program.

Following further refinement, the Council's IFQ proposal was approved by the Secretary of Commerce and finally published in the Federal Register in November of 1993. The IFQ program is administered by the National Marine Fisheries Service, Restricted Access Management (RAM).

GENERAL PROGRAM DESCRIPTION

Under the IFQ program, eligible persons were issued QS based on halibut and sablefish landings made aboard vessels that they owned or leased during the late 1980's and in 1990. Applications for initial issuance of QS were received and processed by RAM. The application deadline was July 1994, and most applications were received in 1994. Issuance of QS to eligible applicants began in November of 1994.

To determine how many pounds of fish a QS holder may harvest during each year's fishing season (i.e., the person's annual IFQ), RAM first establishes the Quota Share Pool (QSP) for both species and each regulatory area. There are eight halibut regulatory areas and six sablefish regulatory areas. The QSP is the sum of all the QS units that have been issued in a given area for each species. The QSP is calculated annually (on January 31) and varies slightly from year to year due to administrative adjustments.

After fisheries managers determine what the annual Total Allowable Catch (TAC) will be, each QS holder's QS for the area is divided by that area's QSP and the resulting fraction is then multiplied by the TAC. This equation yields the number of pounds of IFQ that a QS holder may harvest that year, before adjustments for the previous year's fishing activity. Put simply, the above explanation can be expressed as follows:

$$\text{QS} \div \text{QSP} \times \text{TAC} = \text{IFQ}$$

Note that although a person's QS remains the same, and the QSP may vary by a slight amount from year to year, the TAC may change significantly on an annual basis, depending on the condition of the stocks. As the TAC rises, so does each person's IFQ; as it declines, each person's IFQ likewise decreases.

In this manner, the total annual TAC is divided up; those to whom IFQ permits have been issued may then harvest their share at any time during the eight-month IFQ halibut and sablefish seasons. Those who do not hold QS are generally excluded from the fisheries, although some very limited provisions for "leasing" freezer vessel IFQ exist.

OTHER PROGRAM ELEMENTS

As noted above, the Council took steps to insure that QS would not eventually be consolidated into a very few hands. To accomplish this goal, strict limits on how much QS can be held by any one person are imposed on QS holders (persons who received more than the "cap" by initial issuance were "grandfathered" in; however, they may not receive more QS by transfer). Refer to Section I for a break down of current QS Use and Vessel IFQ caps. In addition to the caps, the Council has provided for QS blocking provisions. Under this program element, QS that originally yielded less than 20,000 pounds of IFQ (using the 1994 QSPs and TACs) was issued as a block, and such blocks may not be subdivided upon transfer. Further, no person may hold more than two blocks of QS for the same species in any regulatory area (or one block and unblocked QS up to the cap). In this way, smaller amounts (blocks) of QS will always be available for those who wish to enter the fishery by obtaining QS by transfer.

To meet the goal of an owner-operated fleet, catcher vessel QS may only be transferred to individuals, and those individuals must be aboard the vessel when the fish are harvested and landed. In recognition of historical fishing practices, initial issuees may (with some exceptions) hire skippers to fish their annual IFQ. Currently, the QS holder must demonstrate the s/he holds at least a 20 percent ownership interest in the vessel upon which the IFQ is to be fished.

Quota share and the annual IFQ it yields are classified by species, vessel, and regulatory area. A variety of restrictions regarding harvesting and landing IFQ fish also exist. Although there is no space here to discuss these in detail, more information about program restrictions can be found in the IFQ regulations or by contacting RAM.

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